

## Message Text

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PAGE 01 GENEVA 02782 221916Z  
ACTION STR-07

INFO OCT-01 NEA-10 IO-13 ISO-00 STRE-00 AGRE-00 CEA-01  
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10  
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00  
AID-05 SS-15 ITC-01 TRSE-00 USIA-06 SP-02 SOE-02  
OMB-01 DOE-11 /115 W  
-----119383 221933Z /53

P 221818Z FEB 78  
FM USMISSION GENEVA  
TO SECSTATE WASHDC PRIORITY 6297  
INFO AMEMBASSY TEL AVIV

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USMTN

STR FOR ACTION

STR PASS CODEL

E.O. 11652: N/A  
TAGS: MTN, ETRD, IS  
SUBJECT: MTN: MEETING WITH ISRAEL DEL TO DISCUSS  
- U.S. TARIFF OFFER

REF: (A) GENEVA 2188; (B) TEL AVIV 2003

1. U.S. MTN DEL (WALLAR) MET WITH ISRAELI REPRESENTATIVES (ELIASHIV AND PERI) FEBRUARY 16 TO PROVIDE FURTHER INFORMATION WITH RESPECT TO THE U.S. TARIFF OFFER (REF (A)). AT OUTSET OF DISCUSSION, ELIASHIV GAVE A SIMILAR REPORT ON DR. COHEN'S CONVERSATION WITH EMB OFF AS CONTAINED IN REF (B). ELIASHIV STRESSED THAT ISRAEL IS WILLING TO "ENGAGE IN A DIALOGUE" BUT FACES DIFFICULT PROBLEMS WITH BINDING TARIFF REDUCTIONS  
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PAGE 02 GENEVA 02782 221916Z

DUE TO PROVISIONS IN THE EC/ISRAELI AGREEMENT (I.E., FOR CERTAIN ITEMS, IF DUTY REDUCTIONS RESULT FROM THE GATT NEGOTIATIONS, THESE NEW DUTY RATES ARE USED AS THE BASIS FOR THE TARIFF REDUCTIONS IN THE EC/ISRAELI AGREEMENT). U.S. DEL QUERIED WHETHER ISRAEL HAD OBJECTIONS "IN PRINCIPLE" TO MAKING CONTRIBUTIONS TO THE MTN, TO WHICH ELIASHIV REPLIED

IN THE NEGATIVE, BUT AGAIN POINTING TO THE PRACTICAL DIFFICULTIES WITH BINDING TARIFF REDUCTIONS IN THE MTN.

2. U.S. DEL PROVIDED A BRIEF OVERVIEW OF HOW THE U.S. TARIFF OFFER COULD AFFECT DUTIABLE IMPORTS INTO THE U.S. FROM ISRAEL. ON ITEMS COVERED BY THE APPLICATION OF THE TARIFF CUTTING FORMULA, THE U.S. OFFER WOULD MAKE GREATER-THAN-FORMULA CUTS ON \$281 MILLION, FORMULA REDUCTIONS ON \$58 MILLION, AND LESS THAN FORMULA CUTS ON \$10 MILLION. EXCEPTIONS ONLY ACCOUNTED FOR \$5 MILLION. WITH RESPECT TO AGRICULTURAL PRODUCTS, THE U.S. OFFER COVERED \$1.8 MILLION WORTH OF ISRAELI IMPORTS. U.S. DEL POINTED TO THE FACT THAT NO OFFER HAD BEEN MADE ON ITEMS ACCOUNTING FOR \$9.8 MILLION OF AGRICULTURAL IMPORTS FROM ISRAEL SINCE NO REQUEST OR NO REQUEST FROM THE PRINCIPAL SUPPLIER HAD BEEN MADE. U.S. DEL FURTHER PROVIDED INFORMATION WHICH SHOWED THAT THE EFFECT OF THE U.S. TARIFF OFFER WOULD RESULT IN ONLY ONE PERCENT OF ISRAELI IMPORTS BEING SUBJECT TO A DUTY GREATER THAN 20 PERCENT IN THE U.S. INSTEAD OF THE CURRENT 6 PERCENT OF ISRAELI IMPORTS, WITH THE BULK OF ISRAELI IMPORTS TO THE U.S. BECOMING DUTY FREE. BASED UPON A SURVEY OF U.S. IMPORTS FROM ISRAEL ON ITEMS TOTALING MORE THAN A \$100,000 DURING 1976 AND CAPTURING 5 PERCENT OR MORE OF U.S. IMPORT MARKET, ISRAEL IS THE PRINCIPAL SUPPLIER ON NINE ITEMS THAT ARE SUBJECT LIMITED OFFICIAL USE

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PAGE 03 GENEVA 02782 221916Z

TO U.S. TARIFF OFFER VALUED AT \$189 MILLION. ISRAEL IS SECOND OR THIRD SUPPLIER ON SIXTEEN OTHER ITEMS WITH A TOTAL VALUE OF \$73 MILLION. ELIASHIV GREATLY APPRECIATED THIS INFORMATION AND SEEMED TO BEGIN TO REALIZE ISRAEL'S STAKE IN THE U.S. MAINTAINING ITS OFFER.

3. FYI AMEMBASSY TEL AVIV: FIGURES CITED ABOVE ARE BASED UPON THE U.S. OFFER WHICH IS CLASSIFIED AS GATT "SECRET" AND, DUE TO SENSITIVITY OF THE OFFER, SHOULD NOT BE CITED IN CONVERSATIONS WITH PRESS AND PRIVATE SECTOR CONTACTS. END FYI.

4. COMMENT: FROM U.S. DEL'S DISCUSSIONS WITH ISRAELI REP, IT IS CLEAR THAT THEY ARE RELYING HEAVILY ON DR. COHEN FOR GUIDANCE AND FOR THE MORE DETAILED WORK FOR THE NEGOTIATIONS. ELIASHIV EXPECTS DR. COHEN TO VISIT GENEVA IN MARCH TO HAVE DETAILED DISCUSSIONS. ANY CONTACTS SUGGESTED REF (B) WOULD BE USEFUL IN BRINGING ISRAEL INTO FULL PARTICIPATION IN THE REQUEST/OFFER NEGOTIATIONS.

5. DRAFTED BY WALLAR. CULBERT

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NNN

## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MEETINGS, TARIFFS  
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**Review Markings:**  
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